

Virginia Information Technologies Agency
Discussion of Proposed New Rates and Rate Changes
June 2005

Proposed new rates for new services

Seat of Government Campus Network

In conjunction with the transition of the Department of General Services (DGS) into VITA, expenses related to supporting the **Campus Network** for Seat of Government agencies are also being transitioned to VITA. Through the network, both **data and Voice Over Internet Protocol (VOIP) services** are made available to agencies. VITA proposes instituting a data port charge and a VOIP port charge, each applied per agency per month to agencies with devices and/or VOIP phones attached to the network, to recover expenses.

DGS previously recovered the cost of supporting the network through the building rent charges to agencies. In conjunction with VITA's implementation of the port charges, DGS will eliminate the portion of their rent charges that were applied to recovery of the network support costs. While the total expenses to be recovered will remain materially unchanged, there may be minimal impact agency by agency based upon cost recovery using a different metric.

The proposed rate for VOIP services is based on 2,000 phones. Currently just under 800 VOIP phones exist on the campus network. VITA expects usage to increase to 2,000 by the end of FY06.

Proposed Rate Change

Audio Teleconferencing – toll free (800) service option

When establishing an audio teleconference, toll free service is one of the options available to customers. When this option is utilized, the cost of the toll free service becomes part of the total VITA charges to teleconferencing customers. Due to reductions in per minute rates from MCI and reduced internal expenses, VITA proposes lowering the toll free service option rate from .28 per minute to .15 per minute.

This reduction will result in savings to customers using the toll free service option when establishing an audio teleconference. As the customer base is not constant, no agency impact analysis is presented.